

AMENDED IN ASSEMBLY MAY 11, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1388

Introduced by Assembly Member Hernandez

February 27, 2009

An act to add Section 53508.9 to the Government Code, relating to bonds.

LEGISLATIVE COUNSEL'S DIGEST

AB 1388, as amended, Hernandez. Local agencies: general obligation bonds.

Existing law authorizes cities, counties, school districts, community college districts, and special districts to issue and refund general obligation bonds secured by a general tax levy and prescribes the procedures for this purpose. Existing law requires that the bonds be sold at a public or private sale.

This bill would authorize ~~local agencies~~ *a local agency, as defined*, to issue bonds, without further approval, at a negotiated sale for a price above or below par value if *the legislative body of* the local agency adopts a specified resolution that includes certain disclosures before the negotiated sale. This bill would also impose duties on ~~these entities~~ *the legislative body* after the negotiated sale.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 53508.9 is added to the Government
- 2 Code, to read:

1 53508.9. (a) Notwithstanding Section 53508.7 or any other
2 law, ~~an issuer~~ *a local agency* may sell bonds at a negotiated sale
3 for a price above or below par value, as authorized by the
4 legislative body, without further approval, if the legislative body
5 adopts a resolution before the negotiated sale, as an agenda item
6 at a public meeting, that includes all of the following:

7 (1) Express approval of the negotiated method of sale.
8 (2) Statement of the reasons for selecting the negotiated method
9 of sale.

10 (3) Disclosure of the identity of the bond counsel.

11 (4) Disclosure of the identity of the bond underwriter and the
12 financial adviser, if used for the negotiated bond sale. If a bond
13 underwriter or financial adviser has not been selected at the time
14 the legislative body adopts the resolution, the legislative body shall
15 disclose the identity at the public meeting first occurring after the
16 bond underwriter or financial adviser has been selected.

17 (5) *Estimate of the costs associated with the bond issuance.*

18 (b) After the negotiated sale, the legislative body shall do both
19 of the following:

20 (1) Present actual cost information for the negotiated sale at its
21 next scheduled public meeting.

22 (2) Submit an itemized summary of the costs of the negotiated
23 bond sale to the California Debt and Investment Advisory
24 Commission.

25 (c) *For purposes of this section, the following definitions shall*
26 *apply:*

27 (1) *“Legislative body” means the governing body of a local*
28 *agency.*

29 (2) *“Local agency” means a city, county, city and county, and*
30 *special district.*